

**Dirigo Health Agency
Board of Directors
Minutes of Meeting- FINAL
August 15, 2005**

The Dirigo Health Agency Board of Directors held a meeting on Monday, August 15, 2005. Dr. Robert McAfee, Chair, convened the meeting at approximately 1:15 PM in the Dirigo Health Agency Board Room located at 211 Water Street in Augusta. Other members in attendance: Dana Connors, Trish Riley, Christine Bruenn and Mary Henderson. Charlene Rydell and Carl Leinonen joined via teleconference. Also in attendance: Karynlee Harrington, Executive Director of the Dirigo Health Agency and Kirsten Figueroa, Director of Budget and Fiscal Operations.

Dr. McAfee opened the meeting.

Meeting minutes from August 1, 2005 were approved by the Board.

Dirigo Reform Update: Trish Riley

NGA: Ms. Riley updated the Board on the Governor's proposals to the National Governor's Association regarding Medicaid reforms.

State Health Plan: Ms. Riley briefed the Board on her meeting with the Maine Quality Forum Advisory Council regarding the State Health Plan. The MQF Advisory Council was asked for input to the Plan in the following three areas:

- ❖ Certificate of Need criteria
- ❖ Variability and evidence based practice
- ❖ Medical Errors

Ms. Riley added that Governor Baldacci has met with Dr. Henry Simmons of the National Coalition on Healthcare. Dr. Simmons was the undersecretary for HEW under Ford/Nixon and started the group in 1990. Dr. Simmons is quite interested in what Maine is doing for its healthcare system.

SOP Work Group: Ms. Riley reported that the business side of the group has offered counterpoints to the savings methodology; the Dirigo side is reviewing and analyzing the options. Ms. Riley stated that the Work Group has not reached the progress level she had hoped for but remains optimistic for the process.

Maine Quality Forum: Karynlee Harrington:

Ms. Harrington updated the Board on the three new Maine Quality Forum Advisory Council members. Catherine Gavin represents the employer groups and is from the Maine Healthcare Purchasing Collaborative; Dr. Paul Tisher is a practicing psychiatrist in Bangor and is the Chief Medical Officer for Acadia Hospital along with being Chief of Psychiatry at EMMC; and, Dr. Robert Keller has been on MEDPAC and is now back in private practice at a spinal rehabilitation office.

The Selection Committee reviewing the RFPs for paid claims has made a decision. Because the bidders had not yet been contacted, Ms. Harrington could not give the names of the finalists nor the outcome.

The MHINT project is in the second phase and has had some success with funding. The MQF is continuing to look for funding to fill the remaining gap.

Ms. Riley stated that the Governor will be holding a major press announcement on September 14th.

Muskie Survey: Karynlee Harrington:

Ms. Harrington highlighted the components and the Executive Summary of the survey and reiterated it was a telephonic survey of first quarter enrollment (see handout):

- ❖ Nearly 40% of the enrollees were uninsured or had been uninsured during the year prior to joining Dirigo;
- ❖ Dependents were more likely to have coverage do to the availability of Mainecare and the State Children's Health Insurance program;
- ❖ Of those enrollees previously covered, the level of their deductible was significantly high;
- ❖ 40% of the previously insured had annual deductibles over \$2,500.00 - when you add up the deductible and the monthly premium costs, the total exceeds 25% of their overall gross income.

Ms. Harrington stated that this confirms concerns about the underinsured. Over 30% of bad debt is attributable to people that are insured. The survey showed that those coming to the program are lower income and they tend to have plans where they cannot afford the deductibles. This effectively makes them uninsured.

The survey asked if care had been delayed or not sought at all. A high percentage of people reported that they delayed or didn't seek care with the major reason being cost.

Mr. Leinonen if there is a means to value the savings to the system as a result of better insuring the underinsured. Ms. Harrington reported that the Agency is working with Mercer on how to measure this impact.

Also from the survey, Ms. Harrington informed the Board that media played a large part in informing people about DirigoChoice.

- ❖ 63% learned of Dirigo through television and radio
- ❖ 18.7% through employer
- ❖ 13% through another source such as insurance broker, friend or family member
- ❖ 2.8% through healthcare provider
- ❖ 2.5% other

Additionally, the survey asked for feedback about the program, including any concerns. The early responses are very favorable, but there is concern around the sustainability of the program.

Ms. Riley added that because of the less than favorable media coverage people get a negative view of Dirigo; Dirigo needs to use the media to promote how good the program is working.

Recommendation for Individual Discount: Karynlee Harrington

Ms. Harrington recommended to the Board that the Agency change the sliding scale discount for individuals to be consistent with how it is done for sole proprietors. She asked for the Board's authorization to make the change for new individual enrollees effective January 1, 2006 and for renewals April 1, 2006 forward. The primary reason for the recommendation is equity; to treat groups the same and apply the discount consistently.

After discussion, the motion for changing the discount structure for individuals was passed unanimously by the Board.

Outreach to the Uninsured: Karynlee Harrington

Marketing: Ms. Harrington briefed the Board of Directors on the marketing campaign. The Agency is working to target the uninsured market with television and radio advertisements. The campaign will run 13 weeks. The television and radio advertisements were played for the Board.

Mailing: Preliminary feedback from the 10,000 mailing that was done, Ms. Harrington told the Board, is that of those who have responded 52% currently do not have health insurance and a high percentage from that group had never heard about DirigoChoice. The response rate is 4.5-5%. Ms. Harrington added that she would like to do another 10,000 mailing in mid-September.

Ms. Rydell asked if there could be a link with the Secretary of State for new businesses. Trish Riley is going to check with the Secretary of State on this possibility.

Agency Financials: Karynlee Harrington & Kirsten Figueroa

Ms. Harrington clarified that some of her statements from the last Board meeting as several were misrepresented in the press. Ms. Harrington's intent with her comments is to talk about how to plan for the future and sustaining the program.

Ms. Figueroa stated that the budget was built on numerous assumptions: demographic mix, rates, employer contribution levels, enrollment numbers, community adjustment factors and income distribution. As the Agency experiences actual enrollment and the assumptions change, the Agency runs the numbers. Based on the results, it is appropriate to analyze current practices and retool as appropriate to meet Agency objectives within funding parameters. Ms. Harrington added that the Agency continues to work on a recommendation regarding an asset test for the financial discount program. This is to help as many members as possible within a defined amount of resources.

The Agency carried forward a cash balance of \$42 million from fiscal year 2005 into fiscal year 2006. For FY05, general administration, including the Maine Quality Forum, was at 49% of the budgeted figure. As of July 1, 2005, there was a membership of over

7,300. Additionally, the first savings offset payment will not be implemented until April 2006, rather than January 2006 as anticipated in the law.

Workgroup Update: Karynlee Harrington

Ms. Harrington let the Board know that there are two full day meetings August 16 and August 19, and a morning meeting on August 26, 2005.

Mercer made a formal presentation of the savings methodology to the workgroup on August 2.

The focus of the August 26th meeting is going to be the process of how to get the information to the Board on August 29th.

The workgroup still has finalizing the definition of paid claims, defining subsidy, and some implementation issues to discuss.

The adjudicatory hearing is being held on October 27, 2005 at 9:00 AM by the Superintendent of Insurance.

Dr. McAfee opened the meeting to any public comments.

Catherine Gavin from the Maine Healthcare Purchasing Collaborative recommended that the Agency check with brokers to see what their experiences have been with selling the DirigoChoice product.

A DirigoChoice member, since January 1, 2005, stated that she was one of the previously underinsured. She did not see her doctor often, even though she is a diabetic, because he charged her 100% of his charges anytime she had tests done; the hospital also charged her 100% of charges. She says DirigoChoice has reduced the insurers cost to cover her. She feels that the uninsured and underinsured are not aware that their burden of cost would be lowered with insurance coverage.

Ms. Hillary Schneider, Director of Programs and Policy for Consumers for Affordable Health Care asked that the Agency collect data and keep track of the impact on individuals as a result of the discount structure change.

The next Dirigo Health Agency Board meeting will be held Monday, August 29, 2005 at 1:00 PM at the Dirigo Health Agency located at 211 Water Street in Augusta.

Dr. McAfee adjourned the meeting at 3:00 PM.

